

MONTANA LEGISLATIVE HISTORY

Chapter 422 19 81

Bill H _____ S 30

Original bill & history ✓ c

H. Committee on Taxation

Hearing Date(s) 3-4 ✓ c

_____ c

_____ c

_____ c

Date Out _____ c

S. Committee on Taxation

Hearing Date(s) 1-19 ✓ c

2-5 no minutes c

_____ c

_____ c

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

3RD READING: 3/10, YEAS: 85; NAYS: 11

RETURNED TO SENATE WITH AMENDMENTS: 3/10

2ND READING: 3/13, BE CONCURRED IN

3RD READING: 3/14, YEAS: 47; NAYS: 0

TRANSMITTED TO GOVERNOR: 3/18/81

ACTION: 3/23, SIGNED

CHAPTER 123

SB 30 -- GOODOVER -- TO REPEAL THE INDIVIDUAL INCOME TAX SURTAX.

FISCAL NOTE: REQUIRED

PREFILED AND REFERRED TO COMMITTEE ON TAXATION: 12/30/80

HEARING: 1/19

REPORT: 2/4, DO PASS AS AMENDED

2ND READING: 2/6, YEAS: 45; NAYS: 2

3RD READING: 2/9, YEAS: 48; NAYS: 1

TRANSMITTED TO HOUSE: 2/9

REFERRED TO COMMITTEE ON TAXATION: 2/10

HEARING: 3/4

REPORT: 4/11, BE CONCURRED IN

2ND READING: 4/13, YEAS: 81; NAYS: 1

ON MOTION, 4/13, RULES SUSPENDED AND PLACED ON 3RD READING

3RD READING: 4/13, YEAS: 93; NAYS: 1

RETURNED TO SENATE: 4/13

TRANSMITTED TO GOVERNOR: 4/14/81

ACTION: 4/18, SIGNED

CHAPTER 422

SB 31 -- GOODOVER -- TO PHASE OUT THE INDIVIDUAL INCOME TAX SURTAX OVER A 3-YEAR PERIOD.

PREFILED AND REFERRED TO COMMITTEE ON TAXATION: 12/30/80

HEARING: 1/19

FAILED TO MEET TRANSMITTAL DEADLINE: 4/6 -- DIED

SB 32 -- NORMAN -- AMENDING 39-71-411 TO CLARIFY EMPLOYERS' WORKERS COMPENSATION LIABILITY.

PREFILED AND REFERRED TO COMMITTEE ON LABOR AND EMPLOYMENT

RELATIONS: 12/30/80

HEARING: 1/8

REPORT: 1/14, DO PASS

2ND READING: 1/16, YEAS: 33; NAYS: 14

3RD READING: 1/19, YEAS: 33; NAYS: 16

TRANSMITTED TO HOUSE: 1/19

REFERRED TO COMMITTEE ON LABOR: 1/20

HEARING: 2/17

REPORT: DO NOT PASS AS AMENDED, 2/19

REPORT: ADOPTED, 2/20

BILL KILLED: 2/20 YEAS: 85; NAYS: 11

SB 33 -- GOODOVER -- AMENDING NUMEROUS CODE SECTIONS CONSISTENT WITH THE MANDATE TO THE CODE COMMISSIONER CONTAINED IN 1-11-204.

PREFILED AND REFERRED TO COMMITTEE ON RULES: 12/30/80

HEARING: 1/12

RE-REFERRED TO COMMITTEE ON JUDICIARY: 1/13

HEARING: 1/21; 1/27

1 SENATE BILL NO. 30

2 INTRODUCED BY TOWE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO DEFINE A
5 PROFESSIONAL STRIKEBREAKER; TO REQUIRE AN EMPLOYER INVOLVED
6 IN A STRIKE TO OBTAIN EMPLOYMENT INFORMATION FROM A
7 PROSPECTIVE EMPLOYEE PRIOR TO EMPLOYMENT; TO REQUIRE CERTAIN
8 EMPLOYMENT INFORMATION TO BE SUBMITTED TO THE COMMISSIONER
9 OF LABOR AND INDUSTRY; TO PROVIDE A PENALTY; AND AMENDING
10 SECTIONS 39-33-201 AND 39-33-202, MCA."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 39-33-201, MCA, is amended to read:

14 "39-33-201. Recruitment of strikebreakers by third
15 parties -- professional strikebreaker defined. (1) No A
16 person, partnership, firm, or officer or agent thereof of a
17 person, partnership, or firm may not recruit, procure,
18 supply, or refer a professional strikebreaker for employment
19 in place of an employee involved in a labor dispute when
20 such the person, partnership, or firm is not a party to the
21 dispute.

22 (2) A "professional strikebreaker" means a person who
23 within the previous 5 years:

24 (a) has been employed two or more times by an employer
25 when the employer's business has been involved in a labor

1 dispute resulting in a strike; or

2 (b) has offered himself three or more times for
3 employment to an employer when the employer's business has
4 been involved in a labor dispute resulting in a strike."

5 Section 2. Section 39-33-202, MCA, is amended to read:

6 "39-33-202. Professional strikebreakers prohibited --
7 information on employees seeking employment during strike
8 required -- penalty. (1) An employer involved in a labor
9 dispute may not employ a professional strikebreaker in the
10 place of an employee involved in such the dispute a
11 professional-strikebreaker who--customarily--and--repeatedly
12 offers--himself--for--employment--in--the-place-of-employees
13 involved-in-labor-disputes.

14 (2) A professional strikebreaker who--customarily--and
15 repeatedly--offers--himself--for--employment--in--place--of
16 employees-involved-in-labor-disputes may not take or offer
17 to take the place in employment of an employee involved in a
18 labor dispute within the state.

19 (3) Prior to hiring a prospective employee during a
20 strike, an employer shall ask the prospective employee if he
21 has worked during a strike within the last 5 years. If the
22 prospective employee has worked during a strike during this
23 time period, the prospective employee shall provide the name
24 and address of the employer for whom he worked.

25 (4) The information required in subsection (3) and any

1 other information requested regarding the employee's
2 previous employment during a strike must be submitted to the
3 commissioner within 10 days of employment.

4 (5) In all cases, the commissioner shall forward the
5 information to the union in charge of the strike. If it
6 appears that a violation of this section has occurred, the
7 commissioner shall forward the information to the county
8 attorney of the county in which the strike is taking place.

9 (6) A prospective employee who knowingly makes a false
10 statement to an employer concerning previous employment
11 during a strike or an employer who knowingly hires an
12 employee who has made false statements concerning previous
13 employment during a strike is guilty of a misdemeanor."

-End-

SENATE BILLSCOMMITTEE ON TAXATION

BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	XXXXXX DO PASS <u>DATE</u>	DO NOT PASS <u>DATE</u>	DO PASS AS AMEND. <u>DATE</u>	BE CON- CURRED IN <u>DATE</u>	BE CONC. IN AS AMENDED <u>DATE</u>	BE NOT CON- CURRED IN <u>DATE</u>
3	1-05-81	1-09-81		1-14-81					
6	1-05-81	1-13-81	Tabled	2-19-81					
7	1-05-81	1-20-81		2-12-81					
11	1-05-81	1-13-81		1-27-81					
12	1-05-81	1-12-81	Tabled by author						
13	1-05-81	1-20-81		2-12-81					
15	1-05-81	1-12-81							
15	rehearing	1-28-81				2-20-81			
17	1-05-81	1-09-81				2-20-81			
19	1-05-81	1-09-81		1-09-81					
20	1-05-81	1-13-81	Tabled	2-19-81					
21	1-15-81	1-26-81				2-24-81			
30	1-05-81	1-19-81		2-05-81					
31	1-05-81	1-19-81	Tabled						
34	1-05-81	1-15-81				1-19-81			
41	1-05-81	1-15-81				1-20-81			

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(Use Separate Sheet for Senate, House Bills, and Resolutions)

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 19, 1981

The seventh meeting of the Taxation Committee was called to order by Chairman Pat Goodover at 8:05 a.m. in Room 415, State Capitol Building.

ROLL CALL: All members were present.

Chairman Goodover announced that following presentation of Senate Bills 30 and 31 the committee would review Senate Bill 34 because of additional considerations. With Sen. McCallum chairing, Sen. Goodover presented his bills.

CONSIDERATION OF SENATE BILL 30: Sen. Goodover said this is an act to repeal the individual income tax surtax. An amendment will be forthcoming as to some date changes. He told of results of a Great Falls Chamber of Commerce survey which showed 88% of respondents in favor of eliminating the surtax. He feels people are more united on repeal of this tax than any other issue. The tax was originally supposed to be a temporary one. The fiscal note on SB30 shows that it is estimated to decrease revenue in 1982 by 2.8 million and in 1983 to 15 million dollars. The bill does not create additional taxes because the money is available from existing revenue. He said he would offer an amendment that would make effective date on page 3, line 25, read 1981 instead of 1982 and on page 4, line 1, read 1980 instead of 1981. He asked the Committee for a do pass on this bill.

PROPOSERS: Dennis Burr, Montana Taxpayers Association, said it is the taxpayer's wish that we repeal the surcharge as it is about the most disliked feature of the tax system.

Janelle Fallon, representing the Montana Chamber of Commerce, feels her organization is representative of the business and income-producing segment of the state and agreed that the surtax is very unpopular, subject to political game playing, a temporary tax, and should never have been left on the books.

Dave Goss, Billings Area Chamber of Commerce, said their position has been to favor a tax base set at a level that is necessary to fund local services of the state and counties, and is in favor of eliminating these deceptive add-on taxes.

There were no further proponents and no opponents to Senate Bill 30.

Senator Eck, on record for a clarification, said the surtax was imposed by a vote of the people who chose a 40% surtax rather than have a state sales tax. She felt that people would still choose to have surtax rather than a sales tax.

January 19, 1981

Questions from the Committee: What is difference between your bill and the impact of Gov. Schwinden's proposal? Ans. The idea of this bill is to make it an outright repeal, since it really is a sales tax on your income. Sen. Towe: One objection in the past has been that by repealing the surtax tax, relief is given to the wealthy and very little to the poor or lower income people. Answer: The majority of people who pay surtax are the people that are successful and have to pay a tax, so people who aren't paying won't be affected. In answer to Sen. Manley's question about where this tax might show up later in other ways, Sen. Goodover answered that at present there is a 107 million dollar surplus assigned for tax relief, and other surplus-tax bills are not in yet and that is why these bills are going to be held.

Sen. Crippen stated he is a believer in the multiplier theory and feels that expansion of the tax base creates more taxes and would like to see this aspect projected.

Sen. Goodover closed on Senate Bill 30 and, at the same time, referred to Senate Bill 31.

CONSIDERATION OF SENATE BILL 31: Sen. Goodover stated that while SB 30 was for outright appeal, SB 31 will phase out the surtax so that 3 years from now it won't exist. The bill was introduced this way because of lack of knowledge of revenue availability. These bills will be held up until there's a more clear plan of what's happening in working out revenue and taxes. He indicated he would request a fiscal note on Senate Bill 31.

There were no proponents or opponents.

Questions from the Committee: Sen. Manley wondered about the advisability of drawing up a committee bill for the next election and seeing how people feel about either a sales tax or a surtax.

There were no further comments or questions, and the hearing was closed on Senate Bills 30 and 31.

RECONSIDERATION OF SENATE BILL 34: Senator Goodover said that he had talked to the Cascade County Assessor about this bill since the original hearing and some things that were uncovered were: If a senior who has the tax classification relief decides to sell his house to a son, daughter, or relative on a contract for deed, the deed is not filed until paid off. For the length of the contract the new owner would get the tax break benefit. He felt there should be some form of re-application to make the relief apply to the senior only and not to subsequent purchasers. Sen. Severson said that sometimes you might have the original owner's name on a contract for deed, but always your own name, too. Sen. Towe said that statement of purchaser's interest is the only thing that prevents

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 1/19/81

NAME	PRESENT	ABSENT	EXCUSED
Goodover, Pat M., Chairman	✓		
McCallum, George, Vice	✓		
Brown, Bob	✓		
Brown, Steve	✓		
Crippen, Bruce D.	✓		
Eck, Dorothy	✓		
Elliott, Roger H.	✓		
Hager, Tom	✓		
Healy, John E. "Jack"	✓		
Manley, John E.	✓		
Norman, Bill	✓		
Ochsner, J. Donald	✓		
Severson, Elmer D.	✓		
Towe, Thomas E.	✓		

Each day attach to minutes.

HOUSE TAXATION COMMITTEE MEETING MINUTES
March 4, 1981

A meeting of the House Taxation Committee was held on Wednesday, March 4, 1981, at 8:00 a.m. in Room 102 of the State Capitol. All members were present except Rep. Neuman, who was absent. SENATE BILL 30 was heard and EXECUTIVE ACTION was taken on HOUSE BILLS 653, 614 and 548 and SENATE BILL 47.

SENATE BILL 30, sponsored by Sen. Pat Goodover, was heard. A chart showing 1978 Montana income tax return statistics was distributed; see Exhibit "A." This bill repeals the temporary 10% surtax. The State Chamber of Commerce and the Great Falls Chamber of Commerce conducted a survey and the Legislative Campaign Committee did a 1979 survey; in addition, other sources have showed that 80 - 90% of people favor repealing the surtax. Repeal has been in the Republican platform for several years now. The comment that this gives tax relief to the rich and not the poor, according to the information contained in Exhibit "A," is not accurate. He urged favorable consideration of the bill.

Dennis Burr, Montana Taxpayers Association, then rose in support of the bill.

Janelle Fallan, Montana Chamber of Commerce, stated that when their survey was conducted, 91% supported repealing the surtax; she urged support of the bill.

Ellen Feaver, Director of the Department of Revenue, then rose in OPPOSITION to the bill, on behalf of the Governor. They oppose the bill because 1/3 of the relief goes to 10% of the taxpayers. She stated that they supported the Governor's proposal (HB 559).

Questions were then asked. Rep. Nordtvedt said that in 1979, 55,000 returns out of 400,000 showed no taxable income.

Rep. Nordtvedt stated that, regarding the bill giving more of the tax relief to the higher income taxpayers, the higher income levels paid the bulk of the income tax, and asked Ms. Feaver for her response. She submitted that philosophical differences led to two differing views of the situation.

Rep. Burnett asked Ms. Feaver if the schedule rather than the surtax shouldn't be used to make the determination between rich and poor. Ms. Feaver replied that that was another option.

Rep. Asay wanted to know if the purpose of the surtax was the redistribution of wealth. Ms. Feaver submitted that it was put on as a revenue measure.

Sen. Goodover then closed. The bill passed the Senate Taxation Committee with two opposed; therefore, it has widespread support from both parties. He recommended favorable consideration of the bill. The hearing on SB 30 was then closed.

The Committee then went into EXECUTIVE SESSION; some proposed amendments for HB 653 were distributed; see Exhibit "B." The amendments

STANDING COMMITTEE REPORT

April 11, 1921

MR. SPEAKER

We, your committee on TAXATION

having had under consideration SENATE Bill No. 30

A BILL FOR AN ACT ENTITLED: "AN ACT TO REPEAL THE INDIVIDUAL INCOME TAX SURTAX; AMENDING SECTIONS 15-30-105 AND 15-30-162, NCA; REPEALING SECTION 15-30-104, NCA; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That SENATE Bill No. 30

BE CONCURRED IN

DO PASS

VISITORS' REGISTER

HOUSE Taxation COMMITTEE

COMMITTEE

PULL 5 B 30

Date 3/4/81

SPONSOR _____

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.